



Creating Customer Value and Satisfaction key to success

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Abstract

Demanding for more customers, global competition, and slow-growth economies and industries, many organizations search for new ways to achieve and retain a competitive advantage. Delivering value to customers is important to managers, leaders, and entrepreneurs alike. To be willing to pay, a customer must derive value from a market offer. In highly competitive and highly complex business environment Leading edge companies need to recognize that their marketplace/market space changes every few years and seek ways to measure customer satisfaction, loyalty and value as mean of setting strategies of The companies. In This article we discuss how companies can win customer loyalty and improve profits by doing a better job of meeting or exceeding customer expectations and create frameworks for thinking about customer value, customer value learning, and the related skills that managers will need to create and implement superior customer value strategies.

Key Words: Customer value, competition, customer satisfaction, marketing

Introduction

Customer value is defined in the marketplace not in the factory or an agency. A small but growing number of companies in the markets draw on their knowledge of what customers value or they value to gain marketplace advantages over their less knowledgeable competitors (Anderson, 1998). There is a market for offering as two elemental characteristics: its value and its practice. When a company wants to rather direct the decisions of production by using The customer value than by the financial analysis, it must have an idea specifies what The customer value is (Plaster and Alderman 2006). Business is the activity of creating value. That is what you get paid to do. Customers do not want your products and services - they want what those products and services will do for them. Business people must learn to become value creators because those who understand value best will prosper and those who do not will fail.

The customer is most likely an individual (or set of individuals) within a group Who pays for the products and services we generate, the customer is the one who Places the value on our output (Sayer and Williams 2007; Smith and Colgate

2007). As a result of globalization, companies are facing a huge challenge and an intense Competition among their competitors. Due to this fact, the customers are becoming More and more demanding, they want ever-increasing levels of quality and service at Lower costs (Slater 1997). So the firms are expected to increase the value of their Customers if they want to exist in the market.

Defining customer value

There have been many difficulties for many authors involved in defining value. In an attempt to consolidate these diverse definitions, Woodruff (1997, p. 142) proposes: "Customer value is a customer's perceived preference for and evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations". Customer value is the difference between the values the customer gains from owning and using a product and the costs of obtaining the product. More than any other business function, marketing deals with customers. Creating customer value and satisfaction are at the very heart of modern marketing thinking and practice. Consumers

have varying degrees of loyalty to specific brands, stores, and companies. Customer satisfaction depends on a product's perceived performance in delivering value relative to a buyer's expectations. Customer expectations are based on past buying experiences, the opinions of friends, and marketer and competitor information and promises.

Customer Satisfaction and loyalty

Customer Satisfaction is a measurement of customer attitudes regarding products, services, and brands. Customer Loyalty on the other hand has two definitions. Customer Loyalty consists of *loyalty behavior* (also referred to as customer retention) which is the act of customers making repeat purchases of current brands, rather than choosing competitor brands. Secondly, Customer Loyalty encompasses *loyalty attitudes* which are opinions and feelings about products, services, brands, or businesses that are associated with repeat purchases. At times, customers display loyalty behavior without having loyalty attitudes. Vice versa, occasionally customers show loyalty attitudes without exhibiting any loyalty behavior.

Whether the buyer is satisfied after a purchase depends on the offer's performance in relationship to the buyer's expectations and whether the buyer interprets any deviations between the two. In general, satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations. If the performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied; if it exceeds expectations, the customer is highly satisfied or delighted. Customer assessments of product performance depend on many factors, especially the type of loyalty relationship the customer has with the brand.

Managing customer satisfaction

In this paper we identified four important steps an organisation must take in order to measuring to customer satisfaction:

Step 1: measuring customer satisfaction In financial terms

With the help of expressing customer satisfaction / dissatisfaction In financial terms, an organisation can estimate the Economic importance that the problems experienced By customers have to the business. This helps to Drive appropriate management actions, justify Resources expended on remedies and measure the Effectiveness of improvements.

Step 2: create a baseline of customer satisfaction and loyalty

To start the improvement process, an organization Must establish a baseline of customer satisfaction and Loyalty that will also identify specific areas of poor Performance and sources of customer dissatisfaction. This can be best achieved by adopting a "product and Service quality" approach to customer research. Baseline should include estimates of Revenue or profit risk, identify problems that Customers experience and their impact on loyalty, Identify what customers do when they experience Problems and how well the organisation responds When they complain.

Step 3: determine a "Learning from Customers" Program

Determine, and provide adequate resources for an Ongoing programme for learning from customers. The initial task is to prioritize and manage the actions Arising from the customer satisfaction and loyalty Baseline. The ongoing role is to provide the Organisation with a continuous capability to track the Changing needs of customers, identify problems they Experience and prioritize them for remedial action.

Step 4: manage ongoing tracking of customer Satisfaction

Conducting ongoing tracking must put mechanisms in Place to track customer satisfaction and loyalty on an Ongoing basis. This provides the regular systematic Feedback

necessary for the ongoing management of Customer satisfaction and loyalty, and the Measurement and control of effective improvement Initiatives.

Conclusion

Companies should measure customer satisfaction regularly, because an important key to customer retention is customer satisfaction. A highly satisfied customer generally stays loyal longer and buys more as the company introduces new products and upgrades existing ones.

To create more value for both customers and shareholders, business has to become more

adaptive. It cannot evolve in isolation. Today, the business ecosystem replaced traditional concepts of industry and market with business communities of interacting organizations that together create, deliver and consume goods and services. In any business today, the superior customer service commitment must be renewed every day. We have to tend to it, we have to feed it, we have to care about it and we have to live it. When we do, that commitment translates into delighted customers, repeat business, referrals and increased profits.

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